

DEPARTMENT OF HOMELAND SECURITY

STATEMENT OF

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**Hearing before the
Committee on Transportation and Infrastructure
Subcommittee on Coast Guard and Maritime Transportation
U.S. House of Representatives**

June 29, 2005

Good morning Mr. Chairman and distinguished Members of the Subcommittee. Thank you for this opportunity to update the Subcommittee on U.S. Customs and Border Protection's (CBP) efforts to strengthen maritime security.

CBP, as the guardian of the Nation's borders, safeguards the homeland foremost by protecting the American public against terrorists and the instruments of terror; while at the same time enforcing the laws of the United States and fostering the Nation's economic security through lawful travel and trade. Today, trained CBP Officers, technology, automation, electronic information, and partnerships with the trade and foreign governments are concepts that underpin CBP's port security and anti-terrorism initiatives. These concepts extend our zone of security outward and reinforce the components of our layered defense strategy.

My remarks today will focus on advance electronic cargo information and CBP targeting capabilities, as well as progress related to the Customs-Trade Partnership Against Terrorism (C-TPAT), the Container Security Initiative (CSI), Non-Intrusive Inspection (NII), Radiation Detection Technology (RDT), and the implementation of the Maritime Transportation Security Act of 2002 (MTSA).

Advance Information, National Targeting Center, Automated Targeting System

Automation, electronic information, and technology are critical tools that facilitate the progress we continue to make with regards to securing maritime cargo and increasing security against the terrorist threat.

The Trade Act of 2002 facilitates CBP's layered defense strategy by mandating advance electronic cargo information on all shipments bound for the United States. The CBP 24-Hour Rule goes one step further to require advance cargo information on all containerized and break-bulk cargo 24 hours before cargo is laden onto a vessel destined for the United States.

All information on cargo en route to the United States is analyzed based on available intelligence and historic trade information using sophisticated automated techniques and algorithms at the CBP National Targeting Center (NTC), Container Security Initiative (CSI) ports, and U.S. ports of arrival. Further, the NTC provides tactical targeting and analytical research support for CBP field offices and remains the single point of reference for CBP anti-terrorism efforts.

Additionally, CBP's Automated Targeting System (ATS) facilitates this risk-based analysis to indicate which shipments are high risk and require additional scrutiny and mandatory security inspections. All shipments are subjected to this analysis and assigned an ATS score, an indicator of whether the shipment can be admitted without further inspection.

In combination, these tools help CBP push our borders outward, reinforce the components of CBP's layered defense, and allow the NTC and CBP Field Offices to process all available information rapidly and completely.

Customs-Trade Partnership Against Terrorism (C-TPAT)

As the Customs-Trade Partnership Against Terrorism (C-TPAT) has evolved, we have steadily added to the rigor of this volunteer industry partnership program. In order to join C-TPAT, a participant must commit to increasing its supply chain security to meet minimal supply chain security criteria. Perhaps most importantly, participants also make a commitment to work with their business partners and customers throughout their supply chains to ensure that those businesses also increase their supply chain security. By leveraging the influence of importers and others on different participants in the supply chain, C-TPAT is able to increase security of United States bound goods to the point of origin (i.e., to the point of container stuffing). This reach is critical to the goal of increasing supply chain security.

Moreover, CBP has worked towards addressing a number of areas as recommended by the Government Accountability Office. Today, CBP initiates validations based on risk, using a quantitative risk assessment tool to identify certified members with high-risk supply chains. CBP's new validation objective identifies and validates high-risk supply chain components, while engaging C-TPAT members with the greatest leverage over their foreign components of the international supply chain. This refined validation objective allows CBP to direct resources accordingly, where they can have the most impact in meeting the overall objectives of the C-TPAT program.

In late October 2004, in discussions with the trade community, we began drafting more clearly defined, minimum-security criteria for importers wishing to participate in the C-TPAT program. After months of constructive dialogue, we developed minimum security criteria designed to accomplish two important goals: first, to offer flexibility to

accommodate the diverse business models represented within the international supply chain; and second, to achieve CBP's twin goals of security and facilitation. The minimum-security criteria for importers became effective on March 25, 2005.

In addition, CBP has published the C-TPAT Strategic Plan, clearly articulating program goals and strategies, and completed the C-TPAT Human Capital Plan, which addresses recruitment, training and workload issues.

CBP recognizes the need for effective measures to determine the success of the program. While new measures are under development, C-TPAT currently uses quantifiable workload measures, but gauging deterrence and prevention remains a challenging task. We continue our efforts in this area, focusing on effective measures that help gauge the success of C-TPAT partnership.

Finally, steps have been taken to automate key processes, and implement a records management system to document key decisions and operational events, including decisions made through the validation process, and tracking member status.

With three years' experience in the program, C-TPAT has successfully increased supply chain security through the voluntary enrollment and enhancement of supply chain security by the private sector, and learned much about the program and over 9,400 of its participants.

The Container Security Initiative (CSI)

To meet our mission of preventing terrorists and terrorist weapons from entering the United States, CBP has partnered with other countries on our Container Security Initiative (CSI). Almost 26,000 seagoing containers arrive and are off loaded at United States seaports each day. In fiscal year 2004, that equated to 9.6 million cargo containers. Because of the sheer volume of sea container traffic and the opportunities it

presents for terrorists, containerized shipping is uniquely vulnerable to terrorist exploitation. Under CSI, which is the first program of its kind, we are partnering with foreign governments to identify and inspect high-risk cargo containers at foreign ports before they are shipped to our seaports and pose a threat to the United States and to global trade. Today, CSI is operational in 37 ports. CBP is working towards strategically locating CSI in additional locations focusing on areas of the world where terrorists have a presence. CBP will continue expanding the CSI security network by using advanced technologies while optimizing resources such as CBP's National Targeting Center as a communications hub coordinating domestic and international communication. Through a framework for security and facilitation of global trade, endorsed by the World Customs Organization, CBP intends to strengthen trade data and targeting of high risk containers by promoting harmonized standards for data elements, examinations and risk assessments. Further, to inspect all high-risk containers before they are loaded on board vessels to the United States, CBP plans to continue fostering partnerships with other countries and our trading partners.

Non-Intrusive Inspection and Radiation Detection Technologies

Non-Intrusive Inspection Technology (NII) is another cornerstone in our layered strategy. Technologies deployed to our nation's sea, air, and land border ports of entry include large-scale X-ray and gamma-imaging systems as well as a variety of portable and hand-held technologies to include our recent focus on radiation detection technology. NII technologies are viewed as force multipliers that enable us to screen or examine a larger portion of the stream of commercial traffic while facilitating the flow of legitimate trade, cargo, and passengers.

CBP large-scale NII systems deployed to our nation's air, land, and sea ports of entry include the Vehicle and Cargo Inspection System (VACIS), Mobile VACIS, Truck X-ray, Mobile Truck X-ray, Rail VACIS, Mobile Sea Container Examination Systems, and the Pallet Gamma-ray system.

CBP is also moving quickly to deploy nuclear and radiological detection equipment, including Personal Radiation Detectors (PRDs), Radiation Isotope Identifier Devices (RIIDs) and Radiation Portal Monitors (RPMs) to our ports of entry. CBP is also initiating the deployment of RPM's in the maritime environment with the ultimate goal of screening 100% of all containerized imported cargo for radiation. A variety of configurations have been developed and CBP is working with stakeholders to ensure that radiation screening does not significantly impact operations within a port. Additionally, CBP has deployed PRDs in quantities necessary for ensuring that there is 100% coverage at primary, the first point of contact.

During the upcoming year CBP looks forward to working with the new DHS Domestic Nuclear Detection Office to couple these varying configurations into a cohesive global architecture to greatly increase the nation radiological and nuclear detection capability.

Maritime Transportation Security Act of 2002 (MTSA)

CBP, in concert with our sister agencies, continues to work towards maritime security mandates as outlined in the Maritime Transportation Security Act of 2002 (MTSA). As the operational lead, CBP efforts have focused on the requirements of 46 U.S.C. 70116 (Secure Systems of Transportation) and section 111 (performance standards) as re-delegated to the Border Transportation Security Directorate (BTS) in January 2004. In addition to our layered defense strategy, CBP continues to contribute

towards enhancing a secure system of transportation and the development of effective performance standards. Recent efforts include the establishment of a DHS Commercial Operational Advisory Committee (COAC) subcommittee. As requested by BTS, a COAC subcommittee was formed to assist DHS with a trade perspective on cargo security performance standards under MTSA.

The COAC's recommendations have assisted CBP with understanding the trade community's concerns and priorities. Further, under the direction of BTS, recommendations are assisting CBP's development of a proposed rule requiring that loaded containers be appropriately secured by use of an International Organization for Standardization (ISO)-compliant high security seal and verified by the carrier prior to being transported by vessel to the United States.

CBP is also supporting the implementation of additional MTSA related issues in coordination with the USCG and other DHS components. These include:

- The USCG International Port Security Program – CBP CSI teams work in concert with USCG to conduct joint assessments of foreign ports.
- The Area Maritime Security Committees (AMSC) – CBP senior field office managers are participating in the USCG led AMS Committees.
- Port Vulnerability Assessments – CBP field offices participated in the USCG port assessments addressing cargo security operations.
- Transportation Worker Identification Credentialing (TWIC)– CBP supports the USCG and TSA efforts to develop this DHS credentialing program.

Conclusion

Mr. Chairman, Members of the Subcommittee, I have outlined a broad array of initiatives and steps towards enhancing maritime security. Further, CBP is committed to

internationalizing core elements of the C-TPAT and CSI programs. The World Customs Organization (WCO) has worked cooperatively to develop an international framework of standards governed by customs-to-customs relationships and customs-to-business relationships. The adoption of the WCO Framework of Standards to Secure and Facilitate Global Trade will strengthen our efforts to secure trade against terrorists and the terrorist threat. As you may know, the WCO has the participation of the customs administrations of 163 countries, representing 99 percent of global trade. Customs administrations have important authorities that exist nowhere else in government—the authority to inspect all cargo shipped into or exported from a country, the authority to refuse entry or exit, and the authority, for example, to expedite or delay entry. Customs administrations require information about goods being imported, and often require information about goods exported. They can, with appropriate legislation, require that information be provided in advance and electronically. These classic “customs” authorities traditionally used for interdicting illegal drugs, assuring trade compliance, and collecting revenues will now help us meet the challenges posed by the ongoing terrorist threat and the need to facilitate legitimate shipments and travelers.

I believe CBP has demonstrated and will continue to demonstrate our leadership and commitment to maritime security efforts, and we anticipate that working with our sister agencies under the Department of Homeland Security we will further these efforts.

Thank you again for the opportunity to testify. I will be happy to answer any questions you may have.